

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re P3 Foods LLC
Debtor

Case No.

16-320-21

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: November

Date filed:

October 6th 2016

Line of Business: Burger King Franchise

NAICS Code:

722513

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

 CEO, P3 Foods LLC

Original Signature of Responsible Party

Anthony Pendolino CEO, P3 Foods LLC

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH? <i>Per Court Approval</i>	<input type="checkbox"/>	<input type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Bank corrected By Bank - ONE old A/c.

B 25C (Official Form 25C) (12/08)

14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?

15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?

16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?

17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?

18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME	\$	951928
Cash on Hand at Start of Month	\$	478953
Cash on Hand at End of Month	\$	484612
PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU	TOTAL	\$ 497211

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month
Cash on Hand at End of Month

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES	\$	757939
----------------	----	--------

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B)

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C)

(Subtract Line C from Line B)

CASH PROFIT FOR THE MONTH

\$	951928
\$	757939
\$	193989

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$

(Exhibit D)

62,000 approx
for
Phogat
Bread
Burger
King

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$

(Exhibit E)

Cash -
Bank

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

251

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

202

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 30,000

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

N/A

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ _____

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ _____

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ _____

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

United States Bankruptcy Court
NORTHERN District of Illinois Eastern Division
In re P3 Foods LLC Case No. 16-320-21

Debtor

Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF
ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR]
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of November on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #
P3 Foods LLC	P3 Foods LLC	

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity's business operations.

**THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR
DEBTOR IN POSSESSION.**

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs,

verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

Date:

Nov. 2nd 2016

Signature of Authorized Individual

Anthony Pendlino

Name of Authorized Individual

CEO, P3 Foods LLC

Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

Signature of Debtor

Signature of Joint Debtor

P3, LLC

(Debtor in Possession)

Cash Flow Statement All Stores+ Main
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities

Operating Income	\$ 187,896
Sales Tax Pass Thru	\$ (74,503)

Net Cash Flow from Operating Activities \$ 113,393

Cash Flows from Investing Activities

Payroll Transfer & Sales Tax All Stores	\$ (106,142)
Net Cash Flow from Investing Activities	\$ -

Net Cash Flow from Investing Activities \$ (106,142)

Cash Flows from Financing Activities

Decrease in Notes Payable-Element	\$ (32,996)
Decrease in Notes Payable-LEAF	\$ (1,593)
Decrease in Notes Payable-NFA	\$ (4,911)
Net Cash Flow from Financing Activities	\$ (39,500)

Net Change in Cash	\$ (32,249)
Beginning Cash Balance	\$ 478,953
Ending Cash Balance	\$ 484,612

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store #139 (7126)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities

Operating Income	\$ 45,104
Sales Tax Pass Thru	\$ (11,743)
Net Cash Flow from Operating Activities	\$ 33,361

Cash Flows from Investing Activities

Net Cash Flow from Investing Activities	\$ -
	\$ -

Cash Flows from Financing Activities

ECN Element	\$ (2,853)
LEAF	\$ (177)
Net Cash Flow from Financing Activities	\$ (3,030)

Net Change in Cash	\$ 30,331
Beginning Cash Balance	\$ 57,346
Ending Cash Balance	\$ 87,677

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store #2423 (7134)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities		
Operating Income	\$ 32,655	
Sales Tax Pass Thru	\$ (9,384)	
	<hr/>	
Net Cash Flow from Operating Activities		\$ 23,271
 Cash Flows from Investing Activities		
	\$ -	
	<hr/>	
Net Cash Flow from Investing Activities		\$ -
 Cash Flows from Financing Activities		
ECN Element	\$ (9,672)	
LEAF	<hr/>	
	\$ (177)	
 Net Cash Flow from Financing Activities		\$ (9,849)
Net Change in Cash		\$ 13,422
Beginning Cash Balance		\$ 43,124
Ending Cash Balance		<hr/> <hr/> \$ 56,546

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store Store #2794 (7142)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities	
Operating Income	\$ 14,692

Sales Tax Pass Thru	\$ (6,701)	
Net Cash Flow from Operating Activities		\$ 7,991
Cash Flows from Investing Activities	\$ -	
	\$ -	
Net Cash Flow from Investing Activities		\$ -
Cash Flows from Financing Activities		
ECN Element	\$ (2,853)	
Leaf	\$ (177)	
Net Cash Flow from Financing Activities		\$ (3,030)
Net Change in Cash		\$ 4,961
Beginning Cash Balance		\$ 28,559
Ending Cash Balance		\$ 33,520

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store Store #2920 (7159)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities		
Operating Income	\$ 19,918	
Sales Tax Pass Thru	\$ (7,604)	
Net Cash Flow from Operating Activities		\$ 12,314

Cash Flows from Investing Activities	\$ -	\$ -
Net Cash Flow from Investing Activities	\$ -	\$ -
 Cash Flows from Financing Activities		
ECN Element	\$ (2,853)	
LEAF	\$ (177)	
NFA	<u>\$ (4,911)</u>	
Net Cash Flow from Financing Activities	\$ (7,941)	
Net Change in Cash	\$ 4,373	
Beginning Cash Balance	\$ 43,283	
Ending Cash Balance	<u>\$ 47,656</u>	

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store #3519 (7175)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities		
Operating Income	\$ 15,077	
Sales Tax Pass Thru	\$ (5,970)	
Net Cash Flow from Operating Activities	\$ 9,107	
 Cash Flows from Investing Activities		
	\$ -	
	<u>\$ -</u>	

Net Cash Flow from Investing Activities	\$	-
---	----	---

Cash Flows from Financing Activities

ECN Element	\$	(2,853)
LEAF	\$	<u>(177)</u>

Net Cash Flow from Financing Activities	\$	(3,030)
---	----	---------

Net Change in Cash	\$	6,077
Beginning Cash Balance	\$	30,190
Ending Cash Balance	\$	<u>36,267</u>

P3, LLC

(Debtor in Possession)

Cash Flow Statement Store #3970 (7183)

For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities

Operating Income	\$	21,170
Sales Tax Pass Thru	\$	(7,389)
Net Cash Flow from Operating Activities	\$	13,781

Cash Flows from Investing Activities

\$	-
\$	<u>-</u>

Net Cash Flow from Investing Activities	\$	-
---	----	---

Cash Flows from Financing Activities

ECN Element	\$	(2,853)
LEAF	\$	<u>(177)</u>
Net Cash Flow from Financing Activities	\$	(3,030)
Net Change in Cash	\$	10,751
Beginning Cash Balance	\$	<u>38,011</u>
Ending Cash Balance	\$	<u>48,762</u>

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store #4006 (7191)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities		
Operating Income	\$	17,355
Sales Tax Pass Thru	\$	(6,000)
Net Cash Flow from Operating Activities	\$	11,355
Cash Flows from Investing Activities	\$	-
	\$	-
Net Cash Flow from Investing Activities	\$	-
Cash Flows from Financing Activities		
ECN Element	\$	(2,853)
LEAF	\$	<u>(177)</u>

Net Cash Flow from Financing Activities	\$	(3,030)
Net Change in Cash	\$	8,325
Beginning Cash Balance	\$	27,908
Ending Cash Balance	<u>\$</u>	<u>36,233</u>

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store #4669 (7209)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities		
Operating Income	\$	8,003
Sales Tax Pass Thru	\$	(6,093)
Net Cash Flow from Operating Activities	\$	1,910
 Cash Flows from Investing Activities		
	\$	-
	<u>\$</u>	<u>-</u>
Net Cash Flow from Investing Activities	\$	-
 Cash Flows from Financing Activities		
ECN Element	\$	(2,853)
LEAF	<u>\$</u>	<u>(177)</u>
Net Cash Flow from Financing Activities	\$	(3,030)
Net Change in Cash	\$	(1,120)
Beginning Cash Balance	<u>\$</u>	<u>23,535</u>

Ending Cash Balance \$ 22,415

P3, LLC
(Debtor in Possession)
Cash Flow Statement Store #13662 (7217)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities

Operating Income	\$ 13,922
Sales Tax Pass Thru	<u>\$ (7,619)</u>
Net Cash Flow from Operating Activities	\$ 6,303

Cash Flows from Investing Activities

\$ -	\$ -
------	------

Net Cash Flow from Investing Activities \$ -

Cash Flows from Financing Activities

ECN Element	\$ (3,353)
LEAF	<u>\$ (177)</u>

Net Cash Flow from Financing Activities	\$ (3,530)
Net Change in Cash	\$ 2,773
Beginning Cash Balance	<u>\$ 35,352</u>
Ending Cash Balance	<u>\$ 38,125</u>

P3, LLC
(Debtor in Possession)
Cash Flow Statement Main (7225)
For 30 Days Ending November 30, 2016

Cash Flows from Operating Activities

Sales Tax & Payroll Transfers	\$ (102,142)
-------------------------------	--------------

\$ (102,142)

Cash Flows from Investing Activities

Net Cash Flow from Investing Activities \$ -

Cash Flows from Financing Activities

\$ -
\$ -
\$ -

Net Cash Flow from Financing Activities \$ -

Net Change in Cash \$ (102,142)

Beginning Cash Balance \$ 179,553

Ending Cash Balance \$ 77,411

cfs

P3, LLC
 Balance Sheet
 (Debtor in Possession)
 October 31,2016
(See Notes to Balance Sheet)

Assets	Liabilities and Capital		
Current Assets	Current Liabilities		
Cash on Hand			
Store 139	\$ 1,400	Accounts/Notes Payable-Pre Filing	\$ 2,471,022
Store 2423	\$ 1,400	Accounts Payable - Post filing	\$ 143,394
Store 2794	\$ 1,400	Sales Tax-Payable	
Store 2920	\$ 1,400		
Store 3519	\$ 1,400		
Store 3970	\$ 1,400		
Store 4006	\$ 1,400		
Store 4669	\$ 1,400		
Store 13662	\$ 1,400		
Total Cash on Hand	\$ 12,600		
Cash in Bank			
General	\$ 77,411		
Store 139	\$ 87,676		
Store 2423	\$ 56,546		
Store 2794	\$ 33,520		
Store 2920	\$ 47,656		
Store 3519	\$ 36,267		
Store 3970	\$ 48,762		
Store 4006	\$ 36,233		
Store 4669	\$ 22,415		
Store 13662	\$ 38,125		
Total Cash in Bank	\$ 484,611		
Total Current Assets	\$ 497,211	Total Current Liabilities	\$ 2,614,416
Fixed Assets			
Furniture, Fixtures & Equipment	\$ 1,047,572		
Auto	\$ 22,000		
Total Fixed Assets	\$ 1,069,572		
Leasehold Improvements	\$ 322,473		
Franchise Fee	\$ 25,000	Capital	\$ (943,510)
Total Assets	\$ 1,889,256	Total Liabilities & Capital	\$ 1,670,906

Notes to Balance Sheet

As soon as the court order was signed on October 8,2016 employing Aldridge Chaseswater, LLC, Joan deSouza Frank Phelps as accounting and business consultants, the added task of reconstructing the formal books of accounts began to emerge. Starting September 22, 2016 the task of reconstructing the books began prior to the court order by focusing on balances owed to all creditors, making sure payroll for +250 employees was properly taken care of including making sure all payroll taxes were all current, sanitation measures were all current, sanitation measures were properly carried out, and in compliance with applicable laws, studying an efficient electronic accounting reporting system to be installed, a necessity to protect the financial investment made by all. Since date of filing on October 6, 2016 the process has been accelerated.

Please note that no reliable historical books of accounts exist and therefore beginning October 6, 2016 and continuing forward are being developed and thus requiring further amendments to presented financial statements may occur from time to time as further information unfolds.

Current Assets

Cash on Hand as shown is kept at each store in a secured manner under control of each store manager and is signed off daily as counted each evening.

Cash in Bank as shown has been verified with US Bank demonstrated by a paper trail bank statement and transaction journal prepared independently by US Bank and signed off by a banking official.

Inventory is not shown but rather expensed off to each store because there is very little shelf life that can be assigned to either perishable there is very little shelf life that can be assigned to either perishable food and paper items.

Fixed Assets , Leasehold Improvements and Franchise Fee have not been depreciated or amortized at this point in time until such time as an inventory can be concluded disclosing purchase can be concluded disclosing purchase can be concluded disclosing purchase dates and a detailed list of said assets,

Other Assets

The amount due from Peterson has been estimated until investigation is completed determining the correct amount to be recovered

Liabilities

All creditors' amounts due were taken from court records and/or company records and will be amended from time to time as new information surfaces.

Capital

Because no reliable historical records are available, the amount so stated will be amended once new data can be verified.

		P3 Foods,LLC Debtor in Possession																			
		Consolidated and Individual Store Income Statement Cash Basis																			
		November 1 -November 30, 2016 (See Notes to Income Statement)																			
Store Numbers	All Stores	% to Sales	139	% to Sales	2423	% to Sales	2794	% to Sales	2920	% to Sales	3519	% to Sales	3970	% to Sales	4006	% to Sales	4669	% to Sales	13662	% to Sales	
Gross Sales	\$ 951,928	100.00%	160,515	100.00%	118,693	100.00%	85,249	100.00%	101,708	100.00%	101,604	100.00%	101,604	100.00%	94,155	100.00%	86,444	100.00%	101,956	100.00%	
Cost of Goods Sold	\$ 301,386	31.66%	\$ 48,530	30.23%	\$ 36,352	30.63%	\$ 27,525	32.29%	\$ 29,288	28.80%	\$ 30,208	29.73%	\$ 30,099	29.62%	\$ 30,989	32.91%	\$ 28,215	32.64%	\$ 40,180	39.41%	
Gross Profit	\$ 650,542	68.34%	\$ 111,985	69.77%	\$ 82,341	69.37%	\$ 57,724	67.71%	\$ 72,420	71.20%	\$ 71,396	70.27%	\$ 71,505	70.38%	\$ 63,166	67.09%	\$ 58,229	67.36%	\$ 61,776	60.59%	
Labor																					
Store Managers	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Crew	\$ 211,691	22.24%	\$ 35,531	22.14%	\$ 27,044	22.78%	\$ 20,520	24.07%	\$ 24,188	23.78%	\$ 19,290	18.99%	\$ 18,897	18.60%	\$ 20,064	21.31%	\$ 24,628	28.49%	\$ 21,529	21.12%	
Regional Managers	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
General Managers	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
CEO	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
CEO Expenses	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Payroll Taxes	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Total Labor	\$ 211,691	22.24%	\$ 35,531	22.14%	\$ 27,044	22.78%	\$ 20,520	24.07%	\$ 24,188	23.78%	\$ 19,290	18.99%	\$ 18,897	18.60%	\$ 20,064	21.31%	\$ 24,628	28.49%	\$ 21,529	21.12%	
Burger King Expenses																					
Royalties	\$ -	0.00%	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Rent	\$ 95,244	10.01%	\$ 11,465	7.14%	\$ -	0.00%	\$ 10,618	12.46%	\$ 12,540	12.33%	\$ 12,298	12.10%	\$ 12,298	12.10%	\$ 10,874	11.55%	\$ 11,871	13.73%	\$ 13,280	13.03%	
Real Estate Taxes	\$ 35,393	3.72%	\$ 3,695	2.30%	\$ -	0.00%	\$ 4,145	4.86%	\$ 5,239	5.15%	\$ 5,121	5.04%	\$ 5,121	5.04%	\$ 5,511	5.85%	\$ 3,358	3.88%	\$ 3,203	3.14%	
Advertising/Inspending	\$ -	0.00%	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Total Burger King Expenses	\$ 130,637	13.72%	\$ 15,160	9.44%	\$ -	0.00%	\$ 14,763	17.32%	\$ 17,779	17.48%	\$ 17,419	17.14%	\$ 17,419	17.14%	\$ 16,385	17.40%	\$ 15,229	17.62%	\$ 16,483	16.17%	
General & Administrative Expenses																					
Mileage	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Medical	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Credit Card Charges	\$ 13,681	1.44%	\$ 2,539	1.58%	\$ 785	0.66%	\$ 1,211	1.42%	\$ 1,686	1.66%	\$ 1,280	1.26%	\$ 1,782	1.75%	\$ 1,729	1.84%	\$ 1,551	1.79%	\$ 1,118	1.10%	
Payroll Processing-All Stores	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Office	\$ 5,776	0.61%	\$ 922	0.57%	\$ 500	0.42%	\$ 500	0.59%	\$ 500	0.49%	\$ 500	0.49%	\$ 500	0.49%	\$ 1,354	1.44%	\$ 500	0.58%	\$ 500	0.49%	
Insurance	\$ -	0.00%	\$ 1,959	1.22%	\$ 1,839	1.55%	\$ 1,052	1.23%	\$ 1,835	1.80%	\$ 1,885	1.86%	\$ 1,885	1.86%	\$ 1,339	1.42%	\$ 1,832	2.12%	\$ 1,966	1.93%	
Accounting & Financial Services	\$ 20,000	2.10%	\$ 2,400	1.50%	\$ 2,200	1.85%	\$ 2,200	2.58%	\$ 2,200	2.16%	\$ 2,200	2.17%	\$ 2,200	2.34%	\$ 2,200	2.00%	\$ 2,556	2.20%	\$ 2,200	2.16%	
Maintenance & Repairs	\$ 8,580	0.90%	\$ 1,349	0.84%	\$ -	0.00%	\$ 443	0.52%	\$ 2,581	2.54%	\$ 1,504	1.48%	\$ 1,504	1.48%	\$ -	0.00%	\$ 1,199	1.39%	\$ -	0.00%	
Scavenger	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
SICOM(POS System)	\$ 5,605	0.59%	\$ 296	0.18%	\$ 93	0.08%	\$ 1,354	1.59%	\$ 379	0.37%	\$ 1,234	1.21%	\$ 1,234	1.21%	\$ -	0.00%	\$ 408	0.47%	\$ 607	0.60%	
Uniforms	\$ 1,031	0.11%	\$ 231	0.14%	\$ -	0.00%	\$ 68	0.08%	\$ 267	0.26%	\$ 160	0.16%	\$ 160	0.16%	\$ -	0.00%	\$ 102	0.12%	\$ 43	0.04%	
Utilities	\$ 31,104	3.27%	\$ 4,755	2.96%	\$ 6,220	5.24%	\$ 809	0.95%	\$ 1,087	1.07%	\$ 4,754	4.68%	\$ 4,754	4.68%	\$ 2,740	2.91%	\$ 2,577	2.98%	\$ 3,408	3.34%	
Phone	\$ 112	0.01%	\$ -	0.00%	\$ -	0.00%	\$ 112	0.13%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Direct TV	\$ 78	0.01%	\$ -	0.00%	\$ 78	0.07%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Rent	\$ 9,000	0.95%	\$ -	0.00%	\$ 9,000	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Real Estate Taxes	\$ 1,927	0.20%	\$ -	0.00%	\$ 1,927	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Total General & Administrative Expenses	\$ 96,894	10.18%	\$ 16,190	10.09%	\$ 22,642	19.08%	\$ 7,749	9.09%	\$ 10,535	10.36%	\$ 13,517	13.30%	\$ 14,019	13.80%	\$ 9,362	9.94%	\$ 10,369	12.00%	\$ 9,842	9.65%	
Net Income	\$ 193,989	20.38%	\$ 45,104	28.10%	\$ 32,655	27.51%	\$ 14,692	17.23%	\$ 19,918	19.58%	\$ 21,170	20.84%	\$ 21,170	20.84%	\$ 17,355	18.43%	\$ 8,003	9.26%	\$ 13,922	13.65%	

Note : This Consolidated and individual store Income Statement was prepared on a cash basis with supporting documentation from

Actual November 2016 Bank Statements obtained from US Bank.

P3,LLC Debtor in Possession Cash Basis Consolidated and Individual Store Income Statement October 11 ending October 31,2016 (See Notes to Income Statement)																				
Store Numbers	All Stores	% to Sales	139	% to Sales	2423	% to Sales	2794	% to Sales	2920	% to Sales	3519	% to Sales	3970	% to Sales	4006	% to Sales	4669	% to Sales	13662	% to Sales
Deposited Sales	\$ 606,024	100.00%	\$ 100,749	100.00%	\$ 84,606	100.00%	\$ 54,475	100.00%	\$ 72,946	100.00%	\$ 56,065	100.00%	\$ 65,915	100.00%	\$ 54,261	100.00%	\$ 52,267	100.00%	\$ 64,740	100.00%
Cost of Goods Sold	\$ 213,373	35.21%	\$ 33,630	33.38%	\$ 34,552	40.84%	\$ 20,127	36.95%	\$ 21,590	29.60%	\$ 20,321	36.25%	\$ 19,394	29.42%	\$ 21,068	38.83%	\$ 24,242	46.38%	\$ 18,449	28.50%
Gross Profit	\$ 392,651	64.79%	\$ 67,119	66.62%	\$ 50,054	59.16%	\$ 34,348	63.05%	\$ 51,356	70.40%	\$ 35,744	63.75%	\$ 46,521	70.58%	\$ 33,193	61.17%	\$ 28,025	53.62%	\$ 46,291	71.50%
Labor																				
Store Managers	\$ 4,857	0.80%	\$ -	0.00%	\$ -	0.00%	\$ 1,223	2.25%	\$ 1,364	1.87%	\$ 1,328	2.37%	\$ -	0.00%	\$ 942	1.74%	\$ -	0.00%	0.00%	
Crew	\$ 51,158	8.44%	\$ 8,395	8.33%	\$ 6,757	7.99%	\$ 3,791	6.96%	\$ 5,717	7.84%	\$ 3,496	6.24%	\$ 4,525	6.00%	\$ 3,583	6.60%	\$ 6,476	12.39%	\$ 8,418	13.00%
Regional Managers	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
General Managers	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
CEO	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
CEO Expenses	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
Payroll Taxes	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
Total Labor	\$ 56,015	9.24%	\$ 8,395	8.33%	\$ 6,757	7.99%	\$ 5,014	9.20%	\$ 7,081	9.71%	\$ 4,824	8.60%	\$ 4,525	6.00%	\$ 4,525	8.34%	\$ 6,476	12.39%	\$ 8,418	13.00%
Burger King Expenses																				
Royalties	\$ 3,807	0.63%	\$ -	0.00%	\$ 3,807	4.50%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
Rent	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
Real Estate Taxes	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
Advertising	\$ 3,384	0.56%	\$ -	0.00%	\$ 3,384	4.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%	
Total Burger King Expenses	\$ 7,192	1.19%	\$ -	0.00%	\$ 7,192	8.50%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
General & Administrative Expenses																				
Payroll Processing	\$ 962	0.16%	\$ 962	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Medical	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Credit Card Charges	\$ 8,331	1.37%	\$ 1,415	0.00%	\$ 172	0.00%	\$ 776	1.42%	\$ 994	1.36%	\$ 728	1.30%	\$ 1,261	1.91%	\$ 1,207	2.22%	\$ 1,024	1.96%	\$ 754	1.16%
Office	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
POS/Menu System	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Maintenance & Repairs	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
IT	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Utilities	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Phone	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Rent	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Real Estate Taxes	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	-	0.00%
Total General & Administrative Expenses	\$ 9,293	1.53%	\$ 2,377	2.36%	\$ 172	0.20%	\$ 776	1.42%	\$ 994	1.36%	\$ 728	1.30%	\$ 1,261	1.91%	\$ 1,207	2.22%	\$ 1,024	1.96%	\$ 754	1.16%
Net Cash Income	\$ 320,151	52.83%	\$ 56,347	55.93%	\$ 35,933	42.47%	\$ 28,558	52.42%	\$ 43,281	59.33%	\$ 30,192	53.85%	\$ 40,735	61.80%	\$ 27,461	50.61%	\$ 20,525	39.27%	\$ 37,119	57.34%

Notes to Balance Sheet

This Balance Sheet has been adjusted to the Cash Basis method of Accounting

As soon as the court order was signed on October 8, 2016 employing Aldridge Chaseswater, LLC, Joan deSouza Frank Phelps as accounting and business consultants, the added task of reconstructing the formal books of accounts began to emerge. Starting September 22, 2016 the task of reconstructing the books began prior to the court order by focusing on balances owed to all creditors, making sure payroll for +250 employees was properly taken care of including making sure all payroll taxes were all current, sanitation measures were all current, sanitation measures were properly carried out, and in compliance with applicable laws, studying an efficient electronic accounting reporting system to be installed, a necessity to protect the financial investment made by all. Since date of filing on October 6, 2016 the process has been accelerated.

Please note that no reliable historical books of accounts exist and therefore beginning October 6, 2016 and continuing forward are being developed and thus requiring further amendments to presented financial statements may occur from time to time as further information unfolds.

Current Assets

Cash on Hand as shown is kept at each store in a secured manner under control of each store manager and is signed off daily as counted each evening.

Cash in Bank as shown has been verified with US Bank demonstrated by a paper trail bank statement and transaction journal prepared independently by US Bank and signed off by a banking official.

Inventory is not shown but rather expensed off to each store because there is very little shelf life that can be assigned to either perishable there is very little shelf life that can be assigned to either perishable food and paper items.

Fixed Assets , Leasehold Improvements and Franchise Fee have not been depreciated or amortized at this point in time until such time as an inventory can be concluded disclosing purchase can be concluded disclosing purchase can be concluded disclosing purchase dates and a detailed list of said assets,

Other Assets

The amount due from Peterson has been estimated until investigation is completed determining the correct amount to be recovered

Liabilities

All creditors' amounts due were taken from court records and/or company records and will be amended from time to time as new information surfaces.

Capital

Because no reliable historical records are available, the amount so stated will be amended once new data can be verified.

P3, LLC
(Debtor in Possession)
Cash Flow Statement General (7225)
For 25 Days Ending October 31, 2016

Cash Flows from Operating Activities

Operating Income	\$	-
Sales Tax Payable All Stores	\$	(70,703)
Net Cash Flow from Financing Activities		
Decrease in accounts Payable All Stores	\$	(96,050)
Net Cash Flow from Operating Activities for Store 2423	\$	(5,000)
	\$	<u>(171,753)</u>

Cash Flows from Investing Activities

Cash Deposit used to Open Debtor in Possession Main Account	\$	125
	\$	-
Net Cash Flow from Investing Activities	\$	<u>125</u>

Cash Flows from Financing Activities

Decrease in Notes Payable-Elements	\$	(16,428)
	\$	-
	\$	-
Net Cash Flow from Financing Activities	\$	(16,303)
Net Change in Cash	\$	(171,628)
Beginning Cash Balance	\$	367,484
Ending Cash Balance	\$	<u>179,553</u>